



## The Oregonian

### You must file tax return for economic stimulus payment

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The Internal Revenue Service's Portland office has been fielding questions from taxpayers about the economic stimulus payments announced earlier this month.

Kathy Howell, a tax specialist in the office, says the most common concern centers on who qualifies for the payments, how much they get and when. But she says the agency is getting questions its experts haven't even anticipated, much less answered.

Howell used e-mail to answer a few of the most common questions about the tax rebates, which will range from \$300 for single filers to \$1,200 for a married couple filing jointly, plus \$300 per qualifying child.

What do I have to do to get the payment?

You have to file a tax return.

For many individuals, this is an annual occurrence. In some cases, however, low-income workers, recipients of Social Security or certain veterans' benefits may have to file a return for the first time in many years.

They have to establish that they have at least \$3,000 of qualifying income. Qualifying income is earned income, as well as Social Security benefits, railroad retirement benefits and veterans' disability compensation, pension or survivors' benefits.

These will be the hardest people to reach. They're not used to filing, they don't understand how it works and we've been telling them for years not to file because we don't want to process their returns.

Now all of a sudden, we're telling them we want them to file. If you know someone this applies to, let them know they qualify. (Note: Supplemental Security Income (SSI) payments and Tier 1 railroad retirement benefits described in section 86(d) of the code are not qualifying income for the rebates.)

If I claim my child on my return will he or she still get the economic stimulus payment?

If someone can claim you as a dependent on their return, you will not get a payment. This includes college students and parents you may claim as a dependent.

If I don't qualify for a Social Security number and have an individual taxpayer identification number (ITIN), can I still get a payment?

No. You must have a Social Security number. In fact, if a spouse has an ITIN and you file a joint return, you don't qualify for the economic stimulus payment. You would have to file a separate return, which may not be to your advantage because you would pay more tax overall. In addition, if you have a child that has an ITIN, you will not get the extra payment for children.

Does the payment constitute taxable income for next year? What effect will it have on my 2007 or 2008 taxes?

The payment will not reduce the federal tax refund you expect for 2007 or 2008. You will not owe tax on the payment. Those who file the one-time only return to receive the payment will not be required to file next year.

On your Oregon return, however, the payment might reduce your deduction for your federal tax liability,

which could increase your state tax liability.

If a taxpayer owes federal taxes or nontax federal debt such as student loans or child support, his economic stimulus payment will be used to pay those debts just like any other tax refund.

How can I get help with my return?

Low- and moderate-income workers can get free tax help through the AARP Tax-Aide Program. There are approximately 200 free tax sites in Oregon that are prepared to help individuals file for their economic stimulus payments. To find a site near you, call IRS at 800-829-1040 or AARP at 888-227-7669 or visit the AARP Web site at [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide).

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